UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

LUCAS DESLANDE, Individually and on Behalf of All Others Similarly Situated, Plaintiff, v. FORTREA HOLDINGS INC., THOMAS PIKE, and JILL MCCONNELL, Defendants.	**Case No.** **<u>CLASS ACTION COMPLAINT</u>** **<u>JURY TRIAL DEMANDED</u>**

Plaintiff Lucas Deslande ("Plaintiff"), individually and on behalf of all others similarly situated, by Plaintiff's undersigned attorneys, for Plaintiff's complaint against Defendants, alleges the following based upon personal knowledge as to Plaintiff and Plaintiff's own acts, and information and belief as to all other matters, based upon, *inter alia*, the investigation conducted by and through Plaintiff's attorneys, which included, among other things, a review of the Defendants' public documents, conference calls and announcements made by Defendants, United States ("U.S.") Securities and Exchange Commission ("SEC") filings, wire and press releases published by and regarding Fortrea Holdings, Inc. ("Fortrea" or the "Company"), analysts' reports and advisories about the Company, and information readily obtainable on the Internet. Plaintiff believes that substantial, additional evidentiary support will exist for the allegations set forth herein after a reasonable opportunity for discovery.

NATURE OF THE ACTION

1. This is a federal securities class action on behalf of a class consisting of all persons and entities other than Defendants that purchased or otherwise acquired Fortrea securities between

July 3, 2023 and February 28, 2025 both dates inclusive (the "Class Period"), seeking to recover damages caused by Defendants' violations of the federal securities laws and to pursue remedies under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 ("Exchange Act") and Rule 10b-5 promulgated thereunder, against the Company and certain of its top officials.

2. Fortrea is a global contract research organization ("CRO") that provides biopharmaceutical product and medical device development solutions to pharmaceutical, biotechnology, and medical device customers. The Company claims to have the "scale and expertise to advise, design and deliver [its] customers' programs, projects and programs globally" and, "[w]ith a portfolio of projects that extend over multiple years," its longer-term contract durations purportedly "give [Fortrea] confidence and visibility into [its] future revenues."

3. Fortrea was formerly the clinical development and commercialization services business of Labcorp Holdings Inc. ("Labcorp"), a life sciences and healthcare company. In June 2023, Labcorp spun off Fortrea as a standalone, publicly traded company (the "Spin-Off" or the "Spin"). At the time of the Spin-Off, certain of the long-term projects in Fortrea's portfolio remained ongoing (the "Pre-Spin Projects").

4. In describing the purported benefits of the Spin-Off, the Company has stated that "Fortrea has been established to bring sharpened focus to our purpose, which is partnering with customers to bring life-changing therapies to patients faster" and, "as an independent company with increased operational agility and financial flexibility, [it is] the ideal size to deliver on this purpose. With [its] global scale, access to clinical data-driven insights, site relationships and decades of experience, Fortrea is able to bring customers tailored solutions as a trusted partner."

5. In connection with the Spin-Off, Labcorp and Fortrea entered into several transition services agreements (the "TSAs"), pursuant to which Fortrea pays Labcorp to provide certain

transitional services for a set period, including information technology ("IT") applications, network and security support and hosting, as well as finance, human resources, marketing, and other administrative support. However, since completing the Spin-Off, Fortrea has consistently represented that it has "built detailed TSA exit plans" designed to save costs and improve margins by investing in developing its own infrastructure.

6. In March 2024, the Company announced that it was targeting 2025 adjusted EBITDA margins—a measure of a company's operating profit as a percentage of its revenue—on a full-year basis of approximately 13%. In August 2024, the Company slightly lowered its targeted adjusted 2025 EBITDA margins to the "11% to 12% range," but touted that this would still "represent a roughly 300 basis points improvement at the midpoint versus 2024, and broadly a 30% to 40% increase in adjusted EBITDA dollars delivered."

7. Throughout the Class Period, Defendants made materially false and misleading statements regarding the Company's business, operations, and prospects. Specifically, Defendants made false and/or misleading statements and/or failed to disclose that: (i) Fortrea overestimated the amount of revenue the Pre-Spin Projects were likely to contribute to the Company's 2025 earnings; (ii) Fortrea overstated the cost savings it would likely achieve by exiting the TSAs; (iii) as a result, the Company's previously announced EBITDA targets for 2025 were inflated; (iv) accordingly, the viability of the Company's post-Spin-Off business model, as well as its business and/or financial prospects, were overstated; and (v) as a result, the Company's public statements were materially false and misleading at all relevant times.

8. On September 25, 2024, the investment bank Jefferies published a report (the "Jefferies Report") downgrading Fortrea from buy to hold. Among other things, the Jefferies Report cited perceived weaknesses in the Company's business model as a CRO amid pressure on

biotechnology funding and suggested that the cost savings Fortrea expects to achieve by exiting the TSAs are "[n]ot as [m]aterial as [o]ne [m]ight [t]hink," stating that "IT infrastructure costs to exit the TSAs are already non-GAAPed out of adjusted EBITDA. Thus, once TSAs are exited, [Fortrea] will just be replacing TSA costs with internal operating costs."

9. On this news, Fortrea's stock price fell $2.73 per share, or 12.29%, to close at $19.48 per share on September 25, 2024.

10. Then, on December 6, 2024, market analyst Baird Equity Research ("Baird") downgraded Fortrea to neutral from outperform after the Company abruptly cancelled two scheduled conferences. A Baird analyst said that "[g]iven our ongoing concerns around the sector, [Fortrea's] choppy history post spin, and lack of clarity on the abrupt communications course change, we cannot recommend an actionable investment (buy or sell)[.]"

11. On this news, Fortrea's stock price fell $1.90 per share, or 8.06%, to close at $21.67 per share on December 6, 2024.

12. Finally, on March 3, 2025, Fortrea announced its fourth quarter and full year 2024 financial results, disclosing that its "targeted revenue and adjusted EBITDA trajectories for 2025 [were] not in line with [its] prior expectations." Specifically, in an earnings call held that same day, Fortrea revealed that the Company's Pre-Spin projects are "late in their life cycle [and] have less revenue and less profitability than expected for 2025" and that "post-spin work is not coming on fast enough to offset the pre-spin contract economics." The Company also said this "older versus newer mix issue will continue to negatively impact [Fortrea's] financial performance during 2025."

13. On this news, Fortrea's stock price fell $3.47 per share, or 25.05%, to close at $10.38 per share on March 3, 2025.

14. After the end of the Class Period, on March 17, 2025, the credit rating agency Fitch Ratings downgraded Fortrea and projected the Company's 2025 EBITDA margin to be in the range of "7.0% to 8.0% in 2025," a significant decline from the Company's previously targeted 2025 EBITDA margin figures of 13%, as projected March 2024, and 11%-12%, as projected in August 2024.

15. As a result of Defendants' wrongful acts and omissions, and the precipitous decline in the market value of the Company's securities, Plaintiff and other Class members have suffered significant losses and damages.

JURISDICTION AND VENUE

16. The claims asserted herein arise under and pursuant to Sections 10(b) and 20(a) of the Exchange Act (15 U.S.C. §§ 78j(b) and 78t(a)) and Rule 10b-5 promulgated thereunder by the SEC (17 C.F.R. § 240.10b-5).

17. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. § 1331 and Section 27 of the Exchange Act.

18. Venue is proper in this Judicial District pursuant to Section 27 of the Exchange Act (15 U.S.C. § 78aa) and 28 U.S.C. § 1391(b). Pursuant to Fortrea's most recently filed Quarterly Report with the SEC, as of May 8, 2025, there were 90.5 million shares of the Company's common stock outstanding. Fortrea's securities trade on the Nasdaq Global Select Market ("NASDAQ"). Accordingly, there are presumably hundreds, if not thousands, of investors in Fortrea's securities located in the U.S., some of whom undoubtedly reside in this Judicial District.

19. In connection with the acts alleged in this complaint, Defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including, but not limited

to, the mails, interstate telephone communications, and the facilities of the national securities markets.

PARTIES

20. Plaintiff, as set forth in the attached Certification, acquired Fortrea securities at artificially inflated prices during the Class Period and was damaged upon the revelation of the alleged corrective disclosures.

21. Defendant Fortrea is a Delaware corporation with principal executive offices located at 8 Moore Drive, Durham, North Carolina. Fortrea's common stock trades in an efficient market on the NASDAQ under the ticker symbol "FTRE".

22. Defendant Thomas Pike ("Pike") served as Fortrea's President, Chief Executive Officer, and Chairman of the Board at all relevant times.

23. Defendant Jill McConnell ("McConnell") has served as Fortrea's Chief Financial Officer at all relevant times.

24. Defendants Pike and McConnell are referred to herein collectively as the "Individual Defendants".

25. The Individual Defendants possessed the power and authority to control the contents of Fortrea's SEC filings, press releases, and other market communications. The Individual Defendants were provided with copies of Fortrea's SEC filings and press releases alleged herein to be misleading prior to or shortly after their issuance and had the ability and opportunity to prevent their issuance or to cause them to be corrected. Because of their positions with Fortrea, and their access to material information available to them but not to the public, the Individual Defendants knew that the adverse facts specified herein had not been disclosed to and were being concealed from the public, and that the positive representations being made were then

materially false and misleading. The Individual Defendants are liable for the false statements and omissions pleaded herein.

26. Fortrea and the Individual Defendants are collectively referred to herein as "Defendants".

SUBSTANTIVE ALLEGATIONS

Background

27. Fortrea is a global CRO that provides biopharmaceutical product and medical device development solutions to pharmaceutical, biotechnology and medical device customers. The Company claims to have the "scale and expertise to advise, design and deliver [its] customers' programs, projects and programs globally" and, "[w]ith a portfolio of projects that extend over multiple years," its longer-term contract durations purportedly "give [Fortrea] confidence and visibility into [its] future revenues."

28. Fortrea was formerly the clinical development and commercialization services business of Labcorp, a life sciences and healthcare company. In June 2023, Labcorp spun-off Fortrea as a standalone, publicly traded company.

Materially False and Misleading Statements Issued During the Class Period

29. The Class Period begins on July 3, 2023, when Fortrea first began trading as a separate public company following the Spin-Off. That same day, the Company issued a press release entitled "Fortrea Launches as Leading, Global Contract Research Organization Positioned to Bring Life-Changing Therapies to Patients Faster." The press release stated, in relevant part:

> "Fortrea has been established to bring sharpened focus to our purpose, which is partnering with customers to bring life-changing therapies to patients faster," said [Defendant] Pike[.] "***Now, as an independent company with increased operational agility and financial flexibility, we are the ideal size to deliver on this purpose. With our global scale, access to clinical data-driven insights, site relationships and decades of experience, Fortrea is able to bring customers tailored solutions***

> ***as a trusted partner. Further, our proven leadership team and talented colleagues across the globe have the skills and experience to help us build a world-class culture of excellence. We look forward to continuing to deliver for patients, customers, employees and shareholders in the years ahead***."
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> Fortrea launches with a team of approximately 19,000 people supporting customers in more than 90 countries across more than 20 different therapeutic areas. With a robust customer base across pharmaceutical, biotechnology and medical device organizations, Fortrea's business is specifically designed to address customers' holistic needs across two reporting segments: Clinical Services and Enabling Services.[1]

30. On August 14, 2023, Fortrea issued a press release announcing the Company's Q2 2023 results. The press release stated, in relevant part:

> "Fortrea is now an independent CRO, as we successfully completed our spin at the end of June. This independence will allow Fortrea to focus our investments to improve research and delight our customers," said [Defendant] Pike[.] "This is the next chapter for a company that has been carefully assembled over the past 30 years. We have established a great leadership team, an experienced Board of Directors and a robust governance structure. At the same time, our talented global team has remained focused on project delivery and our purpose of bringing life-changing treatments to patients faster while creating an independent company. The transformation has begun. We are encouraged by our customers' response to our team and the completion of our spin, and we see positive momentum in the flow of new opportunities this quarter. Looking forward, we are positioned to make rapid progress against our goals and strategies, leveraging our customer relationships to drive revenue growth and margin expansion in an attractive clinical services market."

31. That same day, Fortrea hosted an earnings call with investors and analysts to discuss the Company's Q2 2023 results (the "Q2 2023 Earnings Call"). During the scripted portion of the Q2 2023 Earnings Call, Defendant Pike stated, in relevant part:

> The new management team and I will transform Fortrea from an operating unit of a larger enterprise into a successful independent clinical services organization accountable for its own future. I've assessed our strengths and weaknesses and worked with the Fortrea leaders to craft a strategy that positions us to compete and win. This strong team, to have assessed their respective units and are putting new programs in place. We have begun transforming the business.

[1] All emphases included herein are added unless otherwise indicated.

> Now here's my assessment. Fortrea today is a capable CRO that has the scale and management to bring innovation and consistent global delivery to an R&D industry that needs and relies on both. Clinical research is complex, and this team is good at it. Fortrea is a Goldilocks size organization, not too big, not too small, where customers will find management knowledgeable and readily accessible.
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> We have the scale and skills to grow attractively and importantly, organically from here. There are a lot of positives to this business. Let's remember, the roots of this business are in Covance, one of the longest-tenured successful CROs. We have global reach and 19,000 professionals there is medical and scientific breadth and depth on par with the best of our industry. We punch above our weight in oncology, the largest therapeutic area for trials. We have a great diversified customer base with long-term relationships, in some cases, more than a decade. We service both large and small biopharma effectively.
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> There are years of experience, along with technology tools for working with the LabCorp data and we can bring that to the explosion of clinical data sources now available. We have many great executives and a talented workforce throughout the world. Our first order of business has been to reignite our new business engine. We now have weekly sales calls that involve me and our other business presidents to review and target opportunities.
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> [W]e do need to invest more in supporting technology and the spin and the exit from the parent will allow us to completely revise our software suite. There is also an opportunity for greater productivity while reducing technology costs. We also see procurement facility savings and will align operations cost with revenues more effectively. Regarding [Selling, General & Administrative expsnese ("SG&A")], while our numbers as part of the parent have historically looked good on the surface, frankly, it all depends on how indirect costs are allocated, which is different for different companies.
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> [W]e see addressing SG&A as well as programmatically exiting the TSAs with the Parent on time as key activities that will improve our cost structure and aim to make our margins on par with industry leaders over coming years.

32. Also during the scripted portion of the Q2 2023 Earnings Call, Defendant McConnell stated, in relevant part:

> Now that the spin is complete, we are actively assessing our cost base, both for direct costs as well as SG&A, and have begun to form our margin optimization plan. With one month of actual expenses available, we are continuing our SG&A

> benchmarking and exploring technology productivity initiatives. ***We are identifying improvements through sourcing and procurement and are finalizing our TSA exit strategies to replace them with more fit-for-purpose infrastructure. We are prioritizing margin improvement efforts and continue to expect to move towards peer margin levels over time***.

33. On November 13, 2023, Fortrea issued a press release announcing the Company's Q3 2023 results. The press release stated, in relevant part:

> "Fortrea delivered for its customers and executed against its priorities with discipline in its first quarter as an independent company," said [Defendant] Pike[.] "Customers are responding positively to the Fortrea team and the improvements we have made, as our normalizing book-to-bill ratio demonstrates. Our transformation continues and we must make selective investments, ***exit transition services agreements with our former parent and make the necessary changes to meet industry expectations of cost structure***. ***We are building our pipeline of opportunities and shaping our organization to meet what's next and needed in clinical development, advancing our mission of bringing life-changing treatments to patients faster***."

34. That same day, Fortrea hosted an earnings call with investors and analysts to discuss the Company's Q3 2023 results (the "Q3 2023 Earnings Call"). During the scripted portion of the Q3 2023 Earnings Call, Defendant Pike stated, in relevant part:

> We have a lot of work to do to change this company from a division of a division with strong clinical skills and capabilities into a competitive independent CRO that is the top choice for our customers and delivers results for our public investors. We need to invest in our future, while exiting arduous TSAs and delivering a cost structure that is appropriate for a clinical services CRO.
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> We've been doing work to transform our commercial and customer relationship capabilities to be more effective. This means developing relationships, filling the opportunity funnel and winning business. It requires select investments in people and systems. I believe the changes we are making will take fully a year to implement to bring the consistency and business impact that we want.

35. Also during the scripted portion of the Q3 2023 Earnings Call, Defendant McConnell stated, in relevant part:

> We now have readouts on how we compare to our peers for each SG&A function as well as more detailed plans for the changes we can make to improve our SG&A cost as a percent of revenue. The improvements will come in phases over the next few years as some are heavily dependent upon exit of the TSA agreement.
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> Now let me give you a sense of timing for these initiatives. 2023 has been focused on setting the margin improvement road map and taking actions to better leverage our global footprint. Initial actions were taken towards the end of the third quarter to more appropriately align our cost structure to our existing revenue profile. Due to the timing of those actions and lower attrition than we had been seeing historically, there will be limited financial benefit in 2023.
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> 2024 will build on our growth initiatives and delivering consistent net new business awards to drive revenue growth as well as exiting the transition services agreement with our former parent company and beginning the SG&A improvement work. We need to exit the TSAs as soon as possible to avoid incremental unplanned costs and to improve margins.
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> This is a complex and expensive effort as systems, infrastructure and processes in many areas remain heavily integrated. We are dependent on support from our former parent to complete many of the exits. This is a top priority, and we have already exited 28 of the TSAs. ***We have built detailed TSA exit plans with the goal of exiting the majority of the TSAs by the end of 2024***.
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> ***2025 and beyond will benefit from the reduced cost infrastructure, post the TSA exit along with increased automation, more efficient resource utilization and moving our SG&A spend closer in line with peer benchmarks***. This transformation will also support our customer offering with productivity and technology advances contributing to our ability to deliver projects faster and more efficiently.

36. On March 11, 2024, Fortrea issued a press release announcing the Company's Q4 and full year 2023 results. The press release stated, in relevant part:

> "Fortrea successfully navigated the second half 2023 transforming a "division of a division" into a leader in clinical development," said [Defendant] Pike[.] "Customers and employees have responded favorably to our patient-inspired purpose and our innovative solutions, combining leading science, technology and people. The planned divestiture of our Patient Access and Endpoint businesses strengthens our focus on Phase 1 to 4 Clinical Services. We are also pleased to put an important issue in the rear-view mirror. 2024 is an important year for us to continue demonstrating that we can deliver excellent results for customers while

> improving the financial results for the medium and longer term. I'm confident our talented global team will continue to execute our plans with discipline and focus."

37. That same day, Fortrea hosted an earnings call with investors and analysts to discuss the Company's Q4 2023 results (the "Q4 2023 Earnings Call"). During the scripted portion of the Q4 2023 Earnings Call, Defendant Pike stated, in relevant part:

> During the spin process, our team established a roadmap for independent operations in a way that protected our customers' data and assured ongoing projects. I'm proud to say that we did not lose any customers and no customer projects were disrupted, because of spin-related activities. We created and launched a new brand Fortrea, and morphed our whole company from blue to green in a matter of just a few months. Since our debut as an independent company on July 1, the pace of our transformation has not slowed. This organization works hard and it makes decisions at a fast pace. It's a testament to our team around the world that we continue to hit critical milestones.
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> Our commercial transformation is off to a great start already delivering tangible results. We're pleased with our book-to-bill ratio for the fourth quarter of 1.3 times bringing us to a book-to-bill of more than 1.27 times for our first six months as an independent organization. Given the lag between bookings and revenue, we expect the company to return to growth later this year.
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> The fourth quarter momentum is carried through to this quarter. We're looking at a solid pipeline for Q1 if we execute well. ***We've made strong progress in exiting the transition service agreements, which we call TSAs, with our former parent company. By the end of the year, we had exited about 40% of our TSAs with a few more added this quarter so far***. To help us with the TSAs, we selected two leading global information technology and services providers as strategic partners. Cognizant will consolidate our infrastructure, hybrid cloud and application support. We benefit from a deeply experienced partner, who can help us solidify our position and move to a best-in-class technology, savvy global CRO.
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> Across Fortrea, we're executing our strategic plan and investing in differentiation with discipline and focus that you would expect from this seasoned leadership team that we've assembled. The changes we've made are already delivering results, most visibly in terms of new business.

38. Also during the scripted portion of the Q4 2023 Earnings Call, Defendant McConnell stated, in relevant part:

> We are targeting the second-half margin to improve from the revenue returning to market growth rates on improved productivity from our employee base along with ***the benefit of the anticipated cost reduction initiatives and TSA exits late in the year***.
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> ***In 2025, we expect to realize margin improvement from revenue growth in line with market growth rates and with our post TSA exit, including a streamlined cost infrastructure, increased automation and optimized resource utilization***. We believe this transformation will enable us to reduce our SG&A expenses and empower us to deliver projects faster and more efficiently for our customers.
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> Assuming our ability to continue to drive quarterly book-to-bill metrics of at least 1.2 times and exiting our TSAs per our current plans, we would target 2025 adjusted EBITDA margins consistent with 2022 on a full-year basis of approximately 13%.
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> With the seasoned leadership team and innovative solutions that improve the efficiency of clinical development, we're relentlessly committed to maximizing value for our customers, employees and shareholders. We are on a clear path to establishing Fortrea as the top choice CRO for pharmaceutical, biotech and medical device companies and our growth journey is just beginning. We are delivering against the growth and margin improvement plan we have laid out. We're streamlining our focus to our core CRO business and we're executing our transformation plans at pace to capture the unprecedented margin expansion opportunity before us.

39. On March 13, 2024, Fortrea filed an Annual Report on Form 10-K with the SEC, reporting the Company's financial and operational results for the year that ended December 31, 2023 (the "2023 10-K"). In discussing the Company's market opportunity, the 2023 10-K stated, in relevant part:

> The clinical development market is a large, attractive and growing market. Clinical development spend by the pharmaceutical and biotechnology industry was estimated to be $100 billion in 2022 2. Of this, we estimate the current addressable market for Fortrea to be $35 billion. Over the next several years, pharmaceutical and biotechnology companies are projected to increase R&D investment, grow their pipelines, and outsource more programs to CROs. We believe these underlying market trends represent a significant opportunity for us.

In addition to the growth in R&D expenditures, an increase in outsourcing has also supported the growth of the CRO sector. Global pharmaceutical and biotechnology companies continue to outsource a significant amount of the biopharmaceutical product development process as they seek therapeutic diversity for their pipelines, target diverse global populations, and require deep scientific research. We believe there are three key trends affecting our end markets and believe that such trends will continue creating an increased demand for our services:

- *Increasing Pharmaceutical and Biotechnology R&D Spend*. Growing R&D investment will help propel the CRO market as new indications are discovered, resulting in a greater demand for clinical trials. Over the past decade, we have seen the biopharma industry leverage science, technology, and AI to advance the level of understanding of the pathogenesis of human disease, and to identify new therapeutic targets and treatments. Despite a relative downturn in 2022 compared to 2020 and 2021, over the medium to longer term we expect the biotechnology funding to be strong.

40. Further, in discussing the Company's growth strategy, the 2023 10-K stated, in relevant part:

Our growth strategy builds on Fortrea's strong foundation and aligns with our customers' priorities. Fortrea's strategy includes the following elements:

Lead with Scientific and Therapeutic Expertise, Expand in Existing and Novel Therapeutic Areas

We believe our therapeutic expertise across phase I through phase IV of drug development is critical to early engagement with customers, and to optimizing the design and management of clinical trials. Our expertise helps us deliver enhanced value to customers through a reduction in the cost and time to bring drugs and devices to market. We have significant expertise in several rapidly-growing scientific areas including oncology, CNS and neurodegenerative disease, cardiovascular, renal, MASH, rare disease, cell and gene therapy, and several emerging therapeutic areas. The oncology market remains an area of unmet medical need that receives significant investment in R&D. As part of our mission to drive value for customers, we will continue to try to capitalize on the expansion of opportunities in such key areas as oncology, CNS and neurodegenerative, MASH, and autoimmune. While Fortrea has significant expertise and experience in these scientific areas, we believe that there is ample opportunity for future growth.

41. Appended to the 2023 10-K as exhibits were signed certifications pursuant to the Sarbanes-Oxley Act of 2002 by the Individual Defendants, attesting that "the information

contained in the [2023 10-K] fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented therein."

42. On May 13, 2024, Fortrea issued a press release announcing the Company's Q1 2024 results. The press release stated, in relevant part:

> "We are making solid progress toward our goal of being the best choice among clinical research organizations for customers large and small, creating a positive and distinctive experience for customers, investigator sites and employees," said [Defendant] Pike[.] "The demand for our services is good. Our business operations are sound even as we continue to knock down challenges related to the unique circumstances of our 2023 spin out and before. The investments we are making in differentiation are resonating with customers, whether that's expanding inroads in therapeutic areas of opportunity or creating next-generation solutions in collaboration with our data and technology partners. We have made strong progress with the planned exits of our Transition Services Agreements with our former parent company, and our planned divestment of our Endpoint and Patient Access businesses is making good progress. We are focused on creating momentum through the remainder of the year."

43. That same day, Fortrea hosted an earnings call with investors and analysts to discuss the Company's Q1 2024 results (the "Q1 2024 Earnings Call"). During the scripted portion of the Q1 2024 Earnings Call, Defendant Pike stated, in relevant part:

> In summary, the environment for and reception of Fortrea's clinical services offerings remains strong and is good enough to meet our growth ambitions. Host spend book to bills are adequate for growth so far and our pipeline is good. Revenues are returning more slowly than planned and we're addressing it. The rest of our transformation is on track. The work we're doing transforming the business is building momentum for 2025 and we expect to be beyond the complexities of the spin and historical challenges.
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> Let's dive deeper into the growth environment. The drug development landscape remains attractive. Biotech funding had a nice first quarter, leading to optimism for the sector which is good for CROs. The demand for Fortrea's services is good and improving. At Fortrea, we are building a distinctive CRO that's agile and innovative to help our customers' drug development. My leadership team and I have spent a lot of time with customers this quarter, and customers are responding well. We are spending time on and improving how we interact with customers of all sizes. We call this our commercial transformation, but the positive response is also due to the investments we're making.

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> Our team is working hard to minimize the impact of less planned revenue on our organization and financials. While the top priorities are winning business, customer delivery and getting out of these burdensome TSAs, given our situation, we're pushing even harder on expense controls and cost improvements in operations and SG&A. We continue to analyze options to improve the capital structure we inherited. We made two planned changes this quarter which we noted in a filing on Thursday. Our lenders are very supportive of us.
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> We continue to methodologically work through the books and accounts we inherited from the spin. Our accounting team with consultants went very deep this quarter. We are trying to put the spin-related issues behind us. We feel confident about the progress we are making transforming the organization and exiting TSAs. We continue to make strong progress and partner with our former parent effectively.

44. Also during the scripted portion of the Q1 2024 Earnings Call, Defendant McConnell stated, in relevant part:

> Let me provide more detail on our cost base. As shared previously, we have recast first quarter 2024 and first quarter 2023 direct costs and SG&A expenses to be more consistent with our peer set for comparison purposes. We believe this will allow you to see the significant opportunity we have to improve margins post full TSA exit by reducing our SG&A costs as a percent of revenue over time.

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> Now I will provide an update on our transformation program. It is a multifaceted program that requires thoughtful execution as we balance improving financial results with making changes to increase the longer term health and performance of Fortrea. We've now exited roughly half of our TSAs with our former parent and we have robust plans in place to exit the majority of the remaining TSAs around the end of 2024.

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> Most of these changes will start to benefit us in 2025, where we expect to realize margin improvement arising from revenue growth and operational productivity, as well as our post TSA streamlined SG&A cost infrastructure. We believe this transformation will enable us to reduce our expenses and to deliver projects faster and more efficiently for our customers.
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> ***Assuming our ability to continue to drive trailing book to bill metrics of at least 1.2 times for the remainder of 2024 and exiting our remaining TSAs per our***

> ***current plan, we continue to target full year 2025 adjusted EBITDA margins at least consistent with 2022 at approximately 13%. The improved revenues and margins will also enhance our debt to EBITDA ratio*.**

45. On August 12, 2024, Fortrea issued a press release announcing the Company's Q2 2024 results. The press release stated, in relevant part:

> "Fortrea continues to make progress with customers and our business, which is not reflected in the headline numbers," said [Defendant] Pike[.] "We won some important opportunities this quarter. We have increased our focus as an innovative, global pure-play clinical services organization. We have now exited 60 percent of our Transition Services Agreement and are making good progress on the most difficult part, the IT systems, and managing the related one-time costs. We have reduced our debt. We have our margin improvement actions in focus. We are transforming. I'm confident we're headed in the right direction to deliver value for all our stakeholders, delivering solutions that bring new treatments to patients faster."

46. That same day, Fortrea issued a press release announcing the Company's Q2 2024 results (the "Q2 2024 Earnings Call"). During the scripted portion of the Q2 2024 Earnings Call, Defendant Pike stated, in relevant part:

> Let me start by saying that Fortrea had a solid quarter of execution and progress on our strategic objectives despite some difficulty predicting when biotech opportunities would contract that impacted our book-to-bill. As you know, Fortrea is a pure-play CRO that offers end-to-end solutions for clinical trials across Phases 1 through 4. We have a strong track record of delivering high-quality services to our customers ranging from small biotech startups to large pharma companies.
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> We believe we have a strong value proposition in the market as we combine 30 years of experience, deep scientific expertise, operational excellence and innovative technology to deliver faster, better, more cost-effective outcomes for our customers. We also have a diversified and balanced portfolio of projects and a healthy mix of short- and long-term contracts, as well as broad exposure to different geographies and indications.
>
> In the Q2, we saw some positive signs of improvements in our business. Let me share with you some of the highs and lows of the quarter, and then we'll talk in more detail about what we see for our second half bookings. First, the highlights. We signed several deals and partnerships with top 20 pharma customers, including one new full-service outsourcing partnership. The other deals are solid footholds into larger customers. Our pipeline of opportunities continues to improve in both value and mix, and our win rates are solid. More on that in a couple of minutes.

47. Also during the scripted portion of the Q2 2024 Earnings Call, Defendant McConnell stated, in relevant part:

> I want to acknowledge some of the work we have already done over the past year, exiting around 60% of our TSA services with our former parent, completing the divestiture of our non-core enabling services businesses, and materially improving our balance sheet. These are important building blocks for us to create long-term value for all our stakeholders.
>
> ***
>
> We see significant potential to expand margins by reducing SG&A expense as a percentage of revenue over time once we fully exit the TSA services and can transition to lower-cost replacement infrastructure.
>
> ***
>
> Now I will provide an update on our transformation program. We continue to make progress on our journey towards improving financial results while we increase the longer-term health and performance of Fortrea. We've now exited around 60% of our TSA services with our former parent, and we have robust plans in place to exit the majority of the remaining TSA services by year end, with a limited number being exited early in 2025 to ensure business continuity through year end.
>
> ***
>
> We are now targeting the adjusted EBITDA margin for 2025 to be more likely in the 11% to 12% range. ***While this is below the 13% we had been targeting previously, it would represent a roughly 300 basis points improvement at the midpoint versus 2024, and broadly a 30% to 40% increase in adjusted EBITDA dollars delivered***.

48. The statements referenced in ¶¶ 29-47 were materially false and misleading because Defendants made false and/or misleading statements, as well as failed to disclose material adverse facts about the Company's business, operations, and prospects. Specifically, Defendants made false and/or misleading statements and/or failed to disclose that: (i) Fortrea overestimated the amount of revenue the Pre-Spin Projects were likely to contribute to the Company's 2025 earnings; (ii) Fortrea overstated the cost savings it would likely achieve by exiting the TSAs; (iii) as a result,

the Company's previously announced EBITDA targets for 2025 were inflated; (iv) accordingly, the viability of the Company's post-Spin-Off business model, as well as its business and/or financial prospects, were overstated; and (v) as a result, the Company's public statements were materially false and misleading at all relevant times.

49. In addition, Defendants violated Item 303 of SEC Regulation S-K, 17 C.F.R. § 229.303(b)(2)(ii) ("Item 303"), which required Fortrea to "[d]escribe any known trends or uncertainties that have had or that are reasonably likely to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations." Defendants' failure to disclose that the Pre-Spin projects were late in their life cycle and unlikely to contribute meaningful revenue to the Company's 2025 earnings violated Item 303 because this issue represented a known trend or uncertainty that was likely to have a material unfavorable impact on the Company's business and financial results.

The Truth Emerges

50. On September 25, 2024, Jefferies published a report downgrading Fortrea from buy to hold, citing perceived weaknesses in the Company's business model as a CRO amid pressure on biotechnology funding. Specifically, the Jefferies Report stated, in relevant part:

> **We Recommend Reducing Exposure to CROs; Biotech and Early Phase in Particular**. ***Several CROs, public and private, have highlighted a slowing biotech market, particularly pre-proof-of-concept (pre-POC = Phase I and earlier)***. [. . .] FTRE has greater exposure than ICLR or IQV. Moreover, FTRE's Phase I slice, where activity has been slow, is bigger than competitors'. CROs are calling out financial difficulties, rising bad debts, and slower-decision making from biotech, which may be a delayed reaction from the funding trough of '22/'23. Unfortunately, intra-quarter commentary from CROs has gotten worse, depicting intensifying budget cuts that likely sustain elevated cancellations & slower new activity.
>
> **FTRE Self-Help Story Predicated on Rev Growth; Environment is Not Conducive**. FTRE requires rev growth to achieve its margin targets. Half of the margin improvement expected in '25 is from higher utilization of billable staff (i.e., stronger rev, particularly in FSO), the other half from SG&A. In a strong demand

> backdrop FTRE's '25 EBITDA margin goal (11-12%) might be achievable. ***However, given the deteriorating environment, we expect net bookings to be pressured. Lower bookings this year affect revenue next year, and we believe FTRE bookings will hover around 1.0x in 2H24 (on its own, a -3% impact to '25 EBITDA), making it tough to execute margin expansion***.
>
> **TSA Cost Savings Not as Material as One Might Think**. FTRE's mgt has pointed to TSA exits as a way to unlock cost savings. The problem: IT infrastructure costs to exit the TSAs are already non-GAAPed out of adjusted EBITDA. ***Thus, once TSAs are exited, FTRE will just be replacing TSA costs with internal operating costs***. Some savings will come from eliminating duplicate apps and driving resource efficiency, but those savings seem incremental and over time, not immediate. Thus, the 2 margin expansion drivers are challenged. Our '25 EBITDA is now 11% below cons.
>
> **[. . .] FTRE['s] Valuation[] Can't Support Deteriorating Fundamentals**. Key model changes listed below. Using our new estimates, [. . .] FTRE trade[s] at the highest '25 P/E valuations in the CRO peer group. [. . .] FTRE['s] [EV/EBITDA] measure [is] (11.5x), but only works with a clear path to substantial margin expansion. [. . .] FTRE [. . .] [is] most at risk to biotech spending weakness and [its] valuation[] could have downside.

51. On this news, Fortrea's stock price fell $2.73 per share, or 12.29%, to close at $19.48 per share on September 25, 2024.

52. Then, on December 6, 2024, Baird published a report (the "Baird Report") downgrading Fortrea to neutral from outperform. The Baird Report stated, in relevant part:

> **We are moving to the sidelines, objectively**. FTRE abruptly cancelled two conferences and our planned vNDR. ***Given our ongoing concerns around the sector, FTRE's choppy history post spin, and lack of clarity on the abrupt communications course change, we cannot recommend an actionable investment (buy or sell)***. Perhaps there is a takeout looming, perhaps there is bad news looming, perhaps this will all pass without notable updates ahead. We do not know and, therefore, we are now Neutral-rated.
>
> - **Through 2024, we grew increasingly cautious on CRO sector fundamental performance and outlook**. We have no other Outperform ratings across our core CRO coverage.
>
> ***
>
> - **We expected FTRE to perform less poorly than Street anticipated in 3Q and squeeze higher**. Relative to then-existing valuation and estimates,

FTRE reported one of the least concerning or controversial updates and the shares responded favorably. We decided to maintain our Outperform rating. Our two reports were This May Wind Up Being the Biggest Rally of Q3 and Brings a Nice Finish to Another Choppy Quarter for CROs.

- **Following 3Q's report, FTRE shares reversed – giving back virtually all gains – then rallied again**. Shares closed at $18.05 on November 7 before the 3Q report, briefly exceeded $25 on November 8-9, retraced to as low as $18.28 on November 19, then raced back to as high as $25.05 on December 4. ***This volatility is irrational, unhealthy, and indicative of the challenges in recommending the space for investors***. It is purely a trading marketplace.

- **On December 4, investors became aware of FTRE's abrupt cancellation from two conferences this week**. We were surprised by the reaction – shares were up notably throughout the day. The market assumed an impending takeout. While there are technically safe harbor situations available that might free FTRE from breaking the tax-fee nature of the spin, or perhaps the expected tax hit is manageable and a buyer might be willing to absorb it (?), the post-spin restrictions lift on July 1, 2025. To us, this doesn't feel like an ideal time to sell/LBO.

- **Regardless, we are now operating in an information vacuum**. On December 5, FTRE cancelled our planned vNDR scheduled for December 9, stating: "We've made a decision not to communicate until after the close of the quarter. We have no further comments." We will gladly update our position once FTRE reopens communication with the Street.

53. On this news, Fortrea's stock price fell $1.90 per share, or 8.06%, to close at $21.67 per share on December 6, 2024.

54. Finally, on March 3, 2025, Fortrea announced its fourth quarter and full year 2024 financial results. In an earnings call held with investors and analysts that same day, Defendant Pike stated, in relevant part:

> ***Our targeted revenue and adjusted EBITDA trajectories for 2025 are not in line with our prior expectations***. Let me remind you, this spin was lift and shift. We've been using the same management processes and systems that a division of a much larger company use, ideally waiting to update them until we convert them to our own environment.
>
> As we implemented our environment in connection with exiting the TSAs, we did a deeper analysis of full-service projects and other inputs to longer-term forecasts.

> Given this analysis, we have a better picture of the revenues, costs, margins and timing on the full-service work for projects from the pre-spin period, and we understand that they represent a bigger slice of the pie in 2025.
>
> ***This analysis, which also took significant time to confirm, indicated that the pre-spin projects, many late in their life cycle have less revenue and less profitability than expected for 2025. The strong book-to-bills in spin are creating work that's sold and delivered at good margins. This post-spin work is not coming on fast enough to offset the pre-spin contract economics***.
>
> ***This older versus newer mix issue will continue to negatively impact our financial performance during 2025 until revenue from our new business wins becomes a larger portion of the mix***.

55. On this news, Fortrea's stock price fell $3.47 per share, or 25.05%, to close at $10.38 per share on March 3, 2025.

56. After the end of the Class Period, on March 17, 2025, the credit rating agency Fitch Ratings downgraded Fortrea and projected the Company's 2025 EBITDA margin to be in the range of "***7.0% to 8.0% in 2025***," a significant decline from the Company's previously targeted 2025 EBITDA margin figures of 13%, as projected March 2024, and 11%-12%, as projected in August 2024.

SCIENTER ALLEGATIONS

57. During the Class Period, Defendants had both the motive and opportunity to commit fraud. For example, during the Class Period, while disseminating the materially false and misleading statements alleged herein to maintain artificially inflated prices for Fortrea's securities, Defendants Pike and McConnell enriched themselves by engaging in insider sales of the Company's shares while those shares traded at artificially high prices. Specifically, during the Class Period, Defendant Pike sold approximately 76,263 shares of Fortrea stock for total proceeds of approximately $1.78 million and Defendant McConnell sold approximately 18,470 shares of Fortrea stock for total proceeds of approximately $517,458.

58. Defendants also had actual knowledge of the misleading nature of the statements they made, or acted in reckless disregard of the true information known to them at the time. In so doing, Defendants participated in a scheme to defraud and committed acts, practices, and participated in a course of business that operated as a fraud or deceit on purchasers of the Company's securities during the Class Period.

PLAINTIFF'S CLASS ACTION ALLEGATIONS

59. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a Class, consisting of all those who purchased or otherwise acquired Fortrea securities during the Class Period (the "Class"); and were damaged upon the revelation of the alleged corrective disclosures. Excluded from the Class are Defendants herein, the officers and directors of the Company, at all relevant times, members of their immediate families and their legal representatives, heirs, successors or assigns and any entity in which Defendants have or had a controlling interest.

60. The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class Period, Fortrea securities were actively traded on the NASDAQ. While the exact number of Class members is unknown to Plaintiff at this time and can be ascertained only through appropriate discovery, Plaintiff believes that there are hundreds or thousands of members in the proposed Class. Record owners and other members of the Class may be identified from records maintained by Fortrea or its transfer agent and may be notified of the pendency of this action by mail, using the form of notice similar to that customarily used in securities class actions.

61. Plaintiff's claims are typical of the claims of the members of the Class as all members of the Class are similarly affected by Defendants' wrongful conduct in violation of federal law that is complained of herein.

62. Plaintiff will fairly and adequately protect the interests of the members of the Class and has retained counsel competent and experienced in class and securities litigation. Plaintiff has no interests antagonistic to or in conflict with those of the Class.

63. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class. Among the questions of law and fact common to the Class are:

- whether the federal securities laws were violated by Defendants' acts as alleged herein;
- whether statements made by Defendants to the investing public during the Class Period misrepresented material facts about the business, operations and management of Fortrea;
- whether the Individual Defendants caused Fortrea to issue false and misleading financial statements during the Class Period;
- whether Defendants acted knowingly or recklessly in issuing false and misleading financial statements;
- whether the prices of Fortrea securities during the Class Period were artificially inflated because of the Defendants' conduct complained of herein; and
- whether the members of the Class have sustained damages and, if so, what is the proper measure of damages.

64. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the damages suffered by individual Class members may be relatively small, the expense and burden of individual litigation make it impossible for members of the Class to individually redress the wrongs done to them. There will be no difficulty in the management of this action as a class action.

65. Plaintiff will rely, in part, upon the presumption of reliance established by the fraud-on-the-market doctrine in that:

- Defendants made public misrepresentations or failed to disclose material facts during the Class Period;
- the omissions and misrepresentations were material;
- Fortrea securities are traded in an efficient market;
- the Company's shares were liquid and traded with moderate to heavy volume during the Class Period;
- the Company traded on the NASDAQ and was covered by multiple analysts;
- the misrepresentations and omissions alleged would tend to induce a reasonable investor to misjudge the value of the Company's securities; and
- Plaintiff and members of the Class purchased, acquired and/or sold Fortrea securities between the time the Defendants failed to disclose or misrepresented material facts and the time the true facts were disclosed, without knowledge of the omitted or misrepresented facts.

66. Based upon the foregoing, Plaintiff and the members of the Class are entitled to a presumption of reliance upon the integrity of the market.

67. Alternatively, Plaintiff and the members of the Class are entitled to the presumption of reliance established by the Supreme Court in *Affiliated Ute Citizens of the State of Utah v. United States*, 406 U.S. 128, 92 S. Ct. 2430 (1972), as Defendants omitted material information in their Class Period statements in violation of a duty to disclose such information, as detailed above.

COUNT I

(Violations of Section 10(b) of the Exchange Act and Rule 10b-5 Promulgated Thereunder Against All Defendants)

68. Plaintiff repeats and re-alleges each and every allegation contained above as if fully set forth herein.

69. This Count is asserted against Defendants and is based upon Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated thereunder by the SEC.

70. During the Class Period, Defendants engaged in a plan, scheme, conspiracy and course of conduct, pursuant to which they knowingly or recklessly engaged in acts, transactions, practices and courses of business which operated as a fraud and deceit upon Plaintiff and the other members of the Class; made various untrue statements of material facts and omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and employed devices, schemes and artifices to defraud in connection with the purchase and sale of securities. Such scheme was intended to, and, throughout the Class Period, did: (i) deceive the investing public, including Plaintiff and other Class members, as alleged herein; (ii) artificially inflate and maintain the market price of Fortrea securities; and (iii) cause Plaintiff and other members of the Class to purchase or otherwise acquire Fortrea securities and options at artificially inflated prices. In furtherance of this unlawful scheme, plan and course of conduct, Defendants, and each of them, took the actions set forth herein.

71. Pursuant to the above plan, scheme, conspiracy and course of conduct, each of the Defendants participated directly or indirectly in the preparation and/or issuance of the quarterly and annual reports, SEC filings, press releases and other statements and documents described above, including statements made to securities analysts and the media that were designed to influence the market for Fortrea securities. Such reports, filings, releases and statements were materially false and misleading in that they failed to disclose material adverse information and misrepresented the truth about Fortrea's finances and business prospects.

72. By virtue of their positions at Fortrea, Defendants had actual knowledge of the materially false and misleading statements and material omissions alleged herein and intended

thereby to deceive Plaintiff and the other members of the Class, or, in the alternative, Defendants acted with reckless disregard for the truth in that they failed or refused to ascertain and disclose such facts as would reveal the materially false and misleading nature of the statements made, although such facts were readily available to Defendants. Said acts and omissions of Defendants were committed willfully or with reckless disregard for the truth. In addition, each Defendant knew or recklessly disregarded that material facts were being misrepresented or omitted as described above.

73. Information showing that Defendants acted knowingly or with reckless disregard for the truth is peculiarly within Defendants' knowledge and control. As the senior managers and/or directors of Fortrea, the Individual Defendants had knowledge of the details of Fortrea's internal affairs.

74. The Individual Defendants are liable both directly and indirectly for the wrongs complained of herein. Because of their positions of control and authority, the Individual Defendants were able to and did, directly or indirectly, control the content of the statements of Fortrea. As officers and/or directors of a publicly-held company, the Individual Defendants had a duty to disseminate timely, accurate, and truthful information with respect to Fortrea's businesses, operations, future financial condition and future prospects. As a result of the dissemination of the aforementioned false and misleading reports, releases and public statements, the market price of Fortrea securities was artificially inflated throughout the Class Period. In ignorance of the adverse facts concerning Fortrea's business and financial condition which were concealed by Defendants, Plaintiff and the other members of the Class purchased or otherwise acquired Fortrea securities at artificially inflated prices and relied upon the price of the securities, the integrity of the market for the securities and/or upon statements disseminated by Defendants, and were damaged thereby.

75. During the Class Period, Fortrea securities were traded on an active and efficient market. Plaintiff and the other members of the Class, relying on the materially false and misleading statements described herein, which the Defendants made, issued or caused to be disseminated, or relying upon the integrity of the market, purchased or otherwise acquired shares of Fortrea securities at prices artificially inflated by Defendants' wrongful conduct. Had Plaintiff and the other members of the Class known the truth, they would not have purchased or otherwise acquired said securities, or would not have purchased or otherwise acquired them at the inflated prices that were paid. At the time of the purchases and/or acquisitions by Plaintiff and the Class, the true value of Fortrea securities was substantially lower than the prices paid by Plaintiff and the other members of the Class. The market price of Fortrea securities declined sharply upon public disclosure of the facts alleged herein to the injury of Plaintiff and Class members.

76. By reason of the conduct alleged herein, Defendants knowingly or recklessly, directly or indirectly, have violated Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder.

77. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and the other members of the Class suffered damages in connection with their respective purchases, acquisitions and sales of the Company's securities during the Class Period, upon the disclosure that the Company had been disseminating misrepresented financial statements to the investing public.

COUNT II

(Violations of Section 20(a) of the Exchange Act Against the Individual Defendants)

78. Plaintiff repeats and re-alleges each and every allegation contained in the foregoing paragraphs as if fully set forth herein.

79. During the Class Period, the Individual Defendants participated in the operation and management of Fortrea, and conducted and participated, directly and indirectly, in the conduct of Fortrea's business affairs. Because of their senior positions, they knew the adverse non-public information about Fortrea's misstatement of income and expenses and false financial statements.

80. As officers and/or directors of a publicly owned company, the Individual Defendants had a duty to disseminate accurate and truthful information with respect to Fortrea's financial condition and results of operations, and to correct promptly any public statements issued by Fortrea which had become materially false or misleading.

81. Because of their positions of control and authority as senior officers, the Individual Defendants were able to, and did, control the contents of the various reports, press releases and public filings which Fortrea disseminated in the marketplace during the Class Period concerning Fortrea's results of operations. Throughout the Class Period, the Individual Defendants exercised their power and authority to cause Fortrea to engage in the wrongful acts complained of herein. The Individual Defendants, therefore, were "controlling persons" of Fortrea within the meaning of Section 20(a) of the Exchange Act. In this capacity, they participated in the unlawful conduct alleged which artificially inflated the market price of Fortrea securities.

82. Each of the Individual Defendants, therefore, acted as a controlling person of Fortrea. By reason of their senior management positions and/or being directors of Fortrea, each of the Individual Defendants had the power to direct the actions of, and exercised the same to cause, Fortrea to engage in the unlawful acts and conduct complained of herein. Each of the Individual Defendants exercised control over the general operations of Fortrea and possessed the power to control the specific activities which comprise the primary violations about which Plaintiff and the other members of the Class complain.

83. By reason of the above conduct, the Individual Defendants are liable pursuant to Section 20(a) of the Exchange Act for the violations committed by Fortrea.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff demands judgment against Defendants as follows:

A. Determining that the instant action may be maintained as a class action under Rule 23 of the Federal Rules of Civil Procedure, and certifying Plaintiff as the Class representative;

B. Requiring Defendants to pay damages sustained by Plaintiff and the Class by reason of the acts and transactions alleged herein;

C. Awarding Plaintiff and the other members of the Class prejudgment and post-judgment interest, as well as their reasonable attorneys' fees, expert fees and other costs; and

D. Awarding such other and further relief as this Court may deem just and proper.

DEMAND FOR TRIAL BY JURY

Plaintiff hereby demands a trial by jury.

Dated: June 2, 2025 Respectfully submitted,

POMERANTZ LLP

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